

SPECIAL REPORT

Foreign Media Reaction

July 29, 1982

U.S. — EEC TRADE CONTROVERSY

Summary

Since the Versailles Summit of June 5 and 6, West European media have given dominant space to discussion of the U.S. ban on the Siberian gas pipeline project, U.S. steel import tariffs and grain sales to the Soviet Union. All of these were seen by West European media commentators as prompting a "deterioration" of relations between America and its European allies.

Reaction has been particularly strong over President Reagan's decision, upon his return to Washington from Europe, to impose restrictions on U.S. shipments of equipment for the Soviet-West European gas pipeline construction, followed by the inclusion of goods manufactured in Europe under U.S. license.

Stated opposition to the U.S. actions by political leaders of France, Great Britain, West Germany and Italy received wide support in most media comment. Editorials condemned the Administration for "taking a unilateral action" and "interfering with the sovereignty" of the states involved.

President Reagan's statement at his July 28 press conference that he had "no second thoughts" about the gas pipeline embargo, was widely reported in West European media the following day.

U.S. grain shipments to the Soviet Union, while West European exports of technological items for the pipeline were embargoed, were singled out as inconsistent and eroding the credibility of U.S. policy.

The debate over tariffs on West European subsidized steel exports to the United States came on the heels of the gas pipeline decision and increased the bitterness of media attitudes toward Washington. In the heat of the debate, however, some commentators prominently expressed support of the United States and pointed to the Administration's concerns and rationale.

Nevertheless, many media analysts in Western Europe, only seven weeks after Versailles, were alluding to the possibility of a "trade war" between America and its allies.

International Communication Agency